

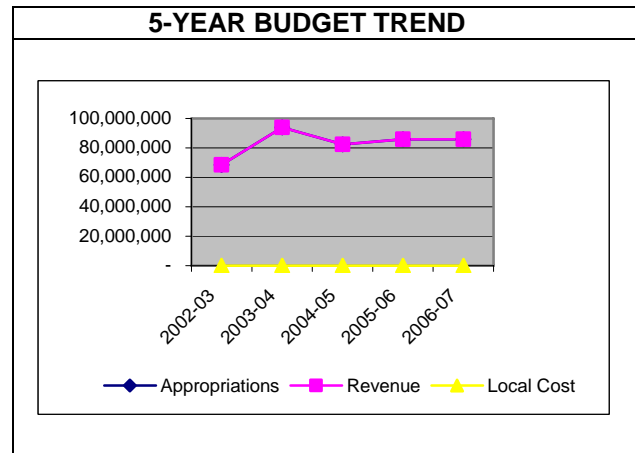
Entitlement Payments (Childcare)

DESCRIPTION OF MAJOR SERVICES

All childcare programs administered by the Transitional Assistance Department (TAD) are budgeted within this unit. This expanded program is one of the major programs of federal welfare reform and the resulting state CalWORKs program. The expanded programs are intended to fund childcare for CalWORKs recipients that are seeking employment or have obtained employment and continue through employment stabilization for a period of up to two years. This budget unit also incorporates the program that funds childcare for families in which the child is under the auspices of the Department of Children's Services and is at risk of parent abuse or neglect. Childcare provider payments are 100% federal and state funded through reimbursements by the state.

There is no staffing associated with this budget unit.

BUDGET HISTORY



PERFORMANCE HISTORY

	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Modified Budget	2005-06 Actual
Appropriation	90,882,476	83,601,688	81,065,438	85,905,228	79,183,003
Departmental Revenue	90,884,155	83,601,688	81,063,581	85,905,228	79,182,742
Local Cost	(1,679)	-	1,857	-	261

Funding impacts to the childcare programs made as a result of the state's final budget will require the department to manage childcare caseload so as to remain within the expenditure limitations of the allocations received from the state. Historically, information regarding allocations is received from the state in the latter part of the first quarter of the new fiscal year.

Actual allocation/grants in 2005-06 were higher than budgeted. In July 2005 the California Department of Education (CDE) released the allocations to the counties for Stages 2 & 3, and alternative payment programs (APP). On August 30, 2006, the department presented to the Board these 2005-06 allocations. In July 2005, the department received allocation augmentations from CDE of \$6,632,002 in Stage 3 and \$342,481 in APP, which were presented to the Board on September 25, 2005 and December 6, 2005 (#53, 56 respectively). In May 2005 and July 2006, the department received augmentations from CDE of \$300,000 in Stage 3 and \$75,000 in APP, which were presented to the Board on August 15, 2006 (Item #43). These augmentations were due to low initial allocation and subsequent cost reviews by the state.



Budgeted and actual allocation and contracts for childcare services are shown below:

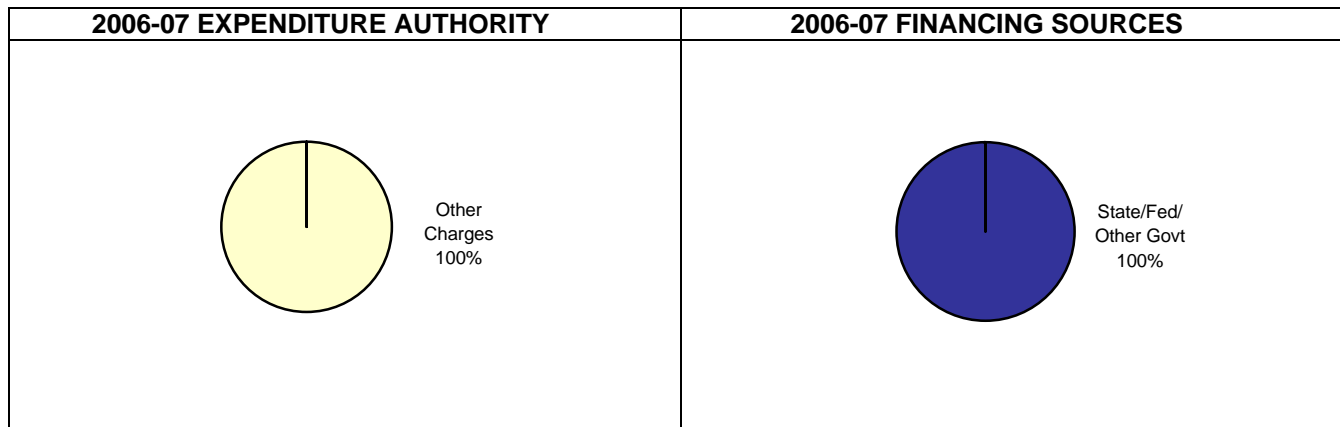
Program	FY 05/06 Budget	Actual Contract / Allocation Amounts	Add'l Contract / Allocation Amounts	Total Funding
Stage 1 CalWORKs	41,555,726	42,459,294	709,371	43,168,665
Stage 2 Contracts	34,305,028	34,957,094	(1,813)	34,955,281
Stage 3 Contracts	5,564,735	2,322,965	6,872,000	9,194,965
Alternative Payment Contract State contract	4,479,741	4,360,111	581,097	4,941,208
(Child Protective Services & Working Poor		-	-	-
Total	85,905,230	84,099,464	8,160,655	92,260,119

Actual expenditures were:

- Under budget by \$6.7 million.
- Less than actual allocations by \$13.1 million.

Actual expenditures were under appropriation due to changes in legislation that decreased the allowable amount reimbursed to childcare providers and the timing-out of recipients who have reached their five (5) year limit for receiving aid.

ANALYSIS OF FINAL BUDGET



GROUP: Human Services
DEPARTMENT: Entitlement Payments
FUND: General

BUDGET UNIT: AAA ETP
FUNCTION: Public Assistance
ACTIVITY: Aid Programs

	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Actual	2005-06 Final Budget	2006-07 Final Budget	Change From 2005-06 Final Budget
Appropriation							
Other Charges	90,882,476	83,601,688	81,065,438	79,183,003	85,905,228	85,905,228	-
Total Appropriation	90,882,476	83,601,688	81,065,438	79,183,003	85,905,228	85,905,228	-
Departmental Revenue							
State, Fed or Gov't Aid	90,884,155	83,601,688	81,063,581	79,182,742	85,905,228	85,905,228	-
Total Revenue	90,884,155	83,601,688	81,063,581	79,182,742	85,905,228	85,905,228	-
Local Cost	(1,679)	-	1,857	261	-	-	-

For 2006-07, the department expects to maintain childcare funding at the current funding level. Based on projections of the 2006-07 state budget, childcare levels are expected to decrease in the federally funded Stage 1 CalWORKs childcare program. Overall federal/state funding levels in the California Department of Education's program are expected to increase to offset funded decreases anticipated in the Stage 1 childcare.

FINAL BUDGET CHANGES

There are no final budget changes associated with this budget unit.

